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ASX Poised for Decline as Wall Street Pauses and Australian Dollar Holds Steady

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The Australian Securities Exchange (ASX) is expected to open lower as Wall Street cools after recent gains, while the Australian Dollar (AUD) remains steady at around 65 US cents. This article examines the factors driving the ASX's anticipated dip, the impact of Wall Street's performance, and the broader economic context, including the Reserve Bank of Australia's (RBA) upcoming moves.

ASX futures point to a 0.4% drop for the S&P/ASX 200 index, reflecting a cautious mood after Wall Street's S&P 500 eased 0.6% overnight, ending a record-setting streak (ABC News, 2025). Investors are eyeing

key US earnings from tech giants like Microsoft and Amazon, which could sway global markets, including Australia's tech-heavy stocks like WiseTech Global. "US earnings will set the tone," said Kyle Rodda, senior analyst at Capital.com (*Australian Financial Review*, 2025). A stronger US dollar and rising Treasury yields are also pressuring commodity prices, with iron ore slipping to \$US98 per tonne, denting miners like BHP and Rio Tinto, which weigh heavily on the ASX.

The AUD, often a barometer for global risk sentiment, is holding at 65.1 US cents, supported by China's stimulus measures but tempered by trade war fears (*ABC News*, 2025). President Trump's tariff threats, despite a 90-day pause, continue to rattle markets, with analysts warning of potential disruptions to Australia's export-driven economy. "Tariffs could hit our miners hardest," noted Betashares' David Bassanese (*ABC News*, 2025). The RBA's upcoming speech by Governor Michele Bullock at the Anika Foundation is critical, with markets pricing a 60% chance of a 0.25% rate cut in August after June's unemployment spike to 4.3% (*ABC News*, 2025).

Labor's economic policies, including hefty spending on cost-of-living measures, offer little clarity amid global uncertainty, with critics arguing they fail to address structural issues like productivity (*ABC News*, 2025). As the ASX braces for a softer start, investors are left navigating a complex web of US earnings, trade tensions, and RBA signals, with the AUD's stability offering a rare anchor in turbulent times.